

AMENDED IN SENATE JULY 2, 2008
AMENDED IN ASSEMBLY MAY 1, 2008
AMENDED IN ASSEMBLY APRIL 28, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2114

Introduced by Assembly Members Villines and Ma

February 20, 2008

An act relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2114, as amended, Villines. The Corporation Tax Law: allocation and apportionment.

The Corporation Tax Law imposes taxes measured by income and, in the case of a business with income derived from, or attributable to, sources both within and without this state, apportions the income between this state and other states and foreign countries in accordance with a specified 4-factor formula, except as otherwise provided.

This bill would require the Department of Finance, *the Franchise Tax Board*, and *the Legislative Analyst's Office* to conduct a study to determine the impact of a change in current law, addressing the apportionment of income in computing the corporate income taxes of trades or businesses, that would modify the sales factor in a manner best suited to retaining and attracting businesses to, and creating new jobs in, California.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Department of Finance, *the Franchise Tax*
2 *Board, and the Legislative Analyst's Office* shall conduct a study
3 to determine the impact of a change in current law, addressing the
4 apportionment of income in computing the corporate income taxes
5 of trades or businesses, that would modify the sales factor in a
6 manner best suited to retaining and attracting businesses to, and
7 creating new jobs in, California.

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